



PRESS RELEASE

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UTILITY TRANSFER UNANIMOUSLY APPROVED BY BOARD OF PUBLIC WORKS

INDIANAPOLIS – The proposed transfer of the water and wastewater utilities gained approval from the Indianapolis Board of Public Works during the board's regular meeting on April 14, 2010. Resolution No. 20, 2010 and Resolution No. 21, 2010 regarding the proposed transfer of the City of Indianapolis' water and wastewater utilities to Citizens Energy Group and PILOT financing, respectively, were approved by a 6-0 vote. The Board's endorsement represents the first approval to refer the transfer to the Indiana Utility Regulatory Commission for final approval later this year.

“Approval by the Board of Public Works is a critical first step in the process of the transfer of the water and wastewater utilities to Citizens, our local, non-profit charitable trust,” said Mayor Greg Ballard. “The completion of this transfer will ensure consistent and predictable water and wastewater utilities for the residents of Indianapolis while allowing the City to invest an additional \$425 million into our crumbling infrastructure.”

On March 10, 2010, Mayor Ballard and Carey Lykins, president and CEO of Citizens Energy Group, signed a Memorandum of Understanding to transfer the City's water and wastewater utilities to Citizens, a public charitable trust operating utilities for community benefit. Pending negotiation and approval of the final agreement, the City will receive \$425 million that will be used to address the City's challenges, including our public infrastructure. In addition, Citizens agrees to assume approximately \$1.5 billion of City debt – the combined debt of the water and wastewater utilities.

“Citizens is committed to providing the residents of Indianapolis safe and reliable water and wastewater utilities,” said Lykins. “Bringing the utilities into the public charitable trust will ensure professional management, excellent customer service, well-maintained utility systems and more stable rates.”

Citizens estimates by the year 2025 that the increase in combined water and wastewater rates will be 25 percent lower than projected under its ownership compared to other options available to the City. Lower water and wastewater rate increases will be achieved through an estimated

\$40 million in annual savings available by combining operations of the water utilities with Citizens' gas, steam and chilled water systems.

The City-County Council will thoroughly review and analyze the proposed transfer and is formally charged with approving the transfer. If approved by the Council, the IURC will then review the proposal through its public process.

Since March 10, Mayor Ballard, his administration and Citizens have provided briefings, listened to feedback and answered questions about the transfer during three public forums and 16 meetings with neighborhood, business and technical advisory groups. Valuable suggestions have been provided by residents, community leaders and business owners that will help shape the final transfer agreement.

The public will have another opportunity to ask questions and give feedback regarding the utility transfer proposal on April 20 from 5-6:30 p.m. at the Lynhurst 7th and 8th Grade Center, 2805 S. Lynhurst Drive.

For more information about the utility transfers and the schedule for public meetings, visit www.indy.gov/utilities or call (317) 327-4MAC.

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